AMENDED IN ASSEMBLY MAY 28, 1999 AMENDED IN ASSEMBLY APRIL 12, 1999

CALIFORNIA LEGISLATURE-1999-2000 REGULAR SESSION

ASSEMBLY BILL

No. 212

Introduced by Assembly Member Aroner (Coauthors: Assembly Members Keeley, Kuehl, Romero, Scott, Shelley, Strom-Martin, Washington, and Wayne) (Coauthors: Senators Perata and Speier)

January 25, 1999

An act to add Article 9.5 (commencing with Section 8254) to Chapter 2 of Part 6 of the Education Code, relating to child care and development.

LEGISLATIVE COUNSEL'S DIGEST

AB 212, as amended, Aroner. Child care and development.

Existing law, the California Child Day Care Act, provides for the licensure and regulation of certain providers of child day care by the Department of Social Services. Under existing law, the Child Care and Development Services Act, the State Department of Education is designated as the state agency responsible for the promotion, development, and provision of care for children in the absence of their parents during the workday or while engaged in other activities that require assistance of a third party.

This bill would establish the California CARES (Compensation and Retention Encourage Stability)

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administered by a nonprofit public to be organization selected by the Superintendent of **Public** Instruction. The program would incorporate the Child Corps Resources Development and the for Retention programs, which would be established by the bill. Pursuant to the provisions of the bill, child care providers who become members of the Child Development Corps and fulfill its would receive annual stipends amounts based on their training and other criteria, subject to funding being appropriated for that purpose. The bill would provide that a stipend provided pursuant to its provisions would not constitute wages for purposes of certain provisions of existing law contained in the Unemployment Insurance Code. Pursuant to the provisions of the bill, the Resources for Retention would administer program enhanced reimbursement rates and quality improvement grants for child care programs that meet certain criteria, subject to funding being appropriated for that purpose.

The bill would require the State Department of Education to ensure that the CARES program is evaluated and to report the results of the evaluation to the Legislature by January 1, 2003.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares the 2 following:
- 3 (a) According to a growing body of research, the single
- 4 most important determinant of child care quality is the 5 presence of consistent, sensitive, well-trained, and
- 6 well-compensated caregivers. However, child care
- 7 programs throughout the state experience high staff
- 8 turnover, fueled by poor compensation and few
- 9 opportunities for advancement. Further, the expansion
- 10 of job opportunities in the public schools, resulting from 11 class size reduction, threatens to drain the child
- 12 development field of its most qualified caregivers.

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(b) Currently, California invests millions of dollars each year through the community college system and other programs to train entry level child care teachers and providers. Due to high job and occupational turnover, however, many of these training dollars are lost.

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- (c) Current subsidies and parent substantial, fail to provide sufficient revenue to create viable child care employment. For programs serving children of low-income families who qualify for state 10 subsidies. the state reimbursement rates influence the level of compensation that staff receive. 12 Current reimbursement rates for center-based 13 family child care programs are insufficient to recruit and 14 retain qualified staff and ensure high quality services for 15 children.
- (d) Child care providers, as well as the children, 17 families, and businesses that depend upon them, suffer 18 the consequences of inadequate compensation. This is true, with few exceptions, for providers in subsidized, nonsubsidized, for profit, nonprofit, large, and small child care settings.
- (e) In many counties, although welfare recipients are 23 encouraged to become child care teachers and providers as a solution to their dependence on public assistance, this profession fails to provide current workers with a wage necessary to achieve self-sufficiency.
- (f) California has historically demonstrated leadership 28 in the field of child care. Now, because of welfare reform, the strength of the state economy, and proposed federal improving child 30 support for care training compensation, California has an opportunity to lead once 32 again, by implementing a program to improve care and education for children and to provide viable employment 34 for the tens of thousands of dedicated workers who care 35 for and educate them each day.
- (g) It is, therefore, the intent of the Legislature to 37 establish California **CARES** (Compensation 38 Retention Encourage Stability), which shall consist of the Development Corps and the Resources 40 Retention programs, to reward the pursuit of child

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child development training among new care professionals and promote retention of committed, qualified child care teachers and providers.

- SEC. 2. This act shall be known and may be cited as 5 California CARES.
- SEC. 3. Article 9.5 (commencing with Section 8254) 6 is added to Chapter 2 of Part 6 of the Education Code, to 8 read:

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Article 9.5. California CARES (Compensation and Retention Encourage Stability) Program

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- 8254. (a) (1) There is hereby established the 14 California **CARES** (Compensation and Retention 15 Encourage Stability) program, to be known as California 16 CARES, under which the Child Development Corps and 17 Resources for Retention programs shall be administered 18 in no more than five geographic areas selected by the 19 State Department of Education that meet the criteria 20 described in paragraph (2).
- (2) The geographic areas selected by the 22 Department of Education pursuant to paragraph (1) may be individual counties, multiple contiguous counties, or subcounty areas, and shall meet the following criteria:
 - (A) At least one of the geographic areas shall be a rural area and at least one shall be in an urban area.
- At least two of the geographic areas shall 28 encompass underserved populations, as defined by the State Department of Education.
- (3) The State Department of Education shall give 31 priority in selecting geographic areas to any geographic 32 area in which local governmental entities, including 33 *commissions* established pursuant to Division 34 (commencing with Section 130100) of the Health and 35 Safety Code, have taken action, such as through adoption 36 of a resolution or other measure, demonstrating their 37 commitment to providing funding to California CARES 38 or another program for increasing the compensation to ehild care providers. funding to a CARES program in that geographic area.

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(b) The purposes of this article include all of the following:

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- (1) To reward the pursuit of professional preparation among those entering the child care and development fields.
- (2) To promote the retention of child care teachers, providers, and directors who have made a commitment their child care careers through education training.
- (3) To encourage the recruitment and retention of 11 qualified caregivers with multilingual skills to address the linguistic needs of young children and their families. 12
- (4) To provide child care programs with additional 14 resources and support needed to improve program quality and attract and retain skilled caregivers.
 - (5) To foster partnerships among public, private, and philanthropic sponsors.
- (6) To encourage coordination in the delivery of 19 training and support for the child care and early 20 education work force.
- (7) To stimulate public awareness of the importance of 22 child care services and jobs, and of the relationship 23 between qualified adequately and compensated 24 caregivers and beneficial outcomes for children.
- (8) To build on existing systems by utilizing existing 26 training programs, including two and four year colleges, early childhood and schoolage mentor programs, and child development training consortiums, and bv strengthening the current mechanisms for funding 30 services.
- (9) To generate data about the effectiveness of 32 different approaches to improving child care quality and building a skilled and stable work force and evaluate the potential for replication or expansion of the approaches. 34
- 35 8254.1. (a) The Superintendent of Public Instruction 36 shall, through a competitive proposal process, select and contract with a nonprofit or public organization to administer California CARES. The organization selected
- pursuant to this subdivision shall do all of the following:

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(1) Serve as the fiscal agent for California CARES, including both the Child Development Corps and the Resources for Retention programs established pursuant to this article.

- (2) Select local nonprofit or public agencies 6 coordinate California CARES at the county or regional level and to provide technical assistance to eligible participants. The technical assistance shall include management training to assist programs seeking 10 reduce turnover, improve compensation, and maximize 11 use of revenues.
- (3) Publicize the availability of stipends and grants to 13 child care providers and establish a mechanism to verify 14 participant qualifications, job status, and program 15 compliance.
- (4) Organize an outreach campaign to center-based 17 teachers, family day care providers, and license-exempt 18 child care providers to inform them about the programs 19 established pursuant to this article.
- (5) Distribute payment of stipends pursuant 21 Sections 8254.3 and 8254.4 at appropriate times.
- (6) Facilitate the investment of stipends a 23 retirement account for any Child Development Corps member who chooses to invest his or her stipend.
 - (7) Collect data about turnover and salaries in participating counties or regions.
- (8) Pursue continued funding from public and private 28 sources.
- (9) Design and implement public education a 30 campaign that will recognize the importance of child care jobs, recruit providers, and encourage private contributions to support the Child Development Corps and Resources for Retention programs established 34 pursuant to this article.
- (10) Convene and coordinate the Statewide Advisory 36 Committee established pursuant to subdivision (b).
- (b) (1) The Superintendent of Public Instruction 37 38 shall establish a Statewide Advisory Committee to assist in coordinating efforts pursuant to this article, offering advice California CARES, and

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collaborative strategies to improve the quality of care by improving child care jobs in California.

- 3 Advisory Committee (2) The Statewide 4 composed of 20 members, of which the Governor and the 5 Superintendent of Public Instruction shall each appoint 6 five. The remainder of the membership shall be selected by the organization selected pursuant to subdivision (a) administer California CARES. Members committee shall include, but need not be limited to, representatives from center-based teaching 10 directors of child care programs, family day care 12 providers, parents, health providers, care and 13 representatives of resource and referral agencies, 14 institutions of higher education, public schools, labor organizations, foundations, and the media. At least five 16 members shall represent organizations that are currently involved in child care career development, training, and 17 18 compensation in California.
 - (c) The Superintendent of Public Instruction shall contract with an independent program evaluator to assess the effectiveness of the different approaches taken by California CARES participants to creating a skilled and stable child care work force in California.

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24 (d) The Superintendent of Public Instruction, 25 conjunction with the organization selected to administer 26 California CARES pursuant to subdivision (a) and the 27 Statewide Advisory Committee established pursuant to subdivision (b), shall investigate options for providing stipends in the form of retirement savings to Child 30 Development Corps members. The options investigated 31 shall include, but are not limited to, coordination with 32 existing retirement funds or the establishment of a Child 33 Development Retirement Fund. The Superintendent of 34 Public Instruction shall make the results the and 35 investigation available to the Legislature the 36 Statewide Advisory Committee no later than the end of 37 the second year after enactment of the act adding this 38 section. It is the intent of the Legislature that a 39 cost-effective method be developed to facilitate 40 investment of stipends in a retirement account for Child **AB 212 —8**—

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Development Corps members who choose to use their stipend for that purpose.

3 8254.2. (a) There is hereby established the Child 4 Development Corps, to be administered pursuant to 5 Section 8254.1. Membership in the Child Development Corps shall be open to all providers in child care settings authorized by law, including licensed family day care, center-based care, and license-exempt child care, that eligibility requirements stipulated in 10 section.

- (b) Participants in the Child Development Corps shall 12 be eligible to receive a stipend as described in Section 13 8254.3 or 8254.4, based on a demonstration of fulfillment 14 of the criteria described in those sections and attendance at Child Development Corps meetings at least two times 16 annually.
- (c) A licensed family day care provider who meets the 18 requirements of the child development permit matrix shall be eligible for a stipend pursuant to Section 8254.3 20 or 8254.4. The Superintendent of Public Instruction, in 21 conjunction with the organization selected to administer 22 California CARES pursuant to Section 8254.1 and the 23 Statewide Advisory Committee established pursuant to 24 Section 8254.1, shall develop an alternate 25 schedule for family day care providers to reflect the qualifications for accreditation and other forms of family day care certification that are appropriate to family day 28 care businesses.
- (d) A license-exempt child care provider is eligible to participate in the Child Development Corps and receive a stipend if the provider fulfills all of the following 32 requirements:
- (1) Meets requirements for a level one 34 pursuant to Section 8254.3 or a level two stipend pursuant to Section 8254.4.
- (2) Provides proof of criminal clearance through the 36 37 trustline registry established pursuant to Chapter (commencing with Section 8170). 38
- (3) Shows proof that their provision of license-exempt 39 child care is legally authorized.

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(4) Provides a signed statement from the parent or guardian of each child receiving care stating:

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- (A) The number of the parent or guardian's children for whom the provider cares.
- (B) The number of weeks for which care has been provided for each child.
- (C) That the provider's home or any other location in which care is provided is equipped with extinguisher, first aid kit, and child safety seat if the child 10 is ever transported by automotive vehicle.
- (D) The parent's or guardian's agreement that he or 12 she will not lower the amount he or she pays the provider if the provider receives a stipend.
- (e) A child care center or licensed family day care 15 provider may apply for funding for substitute coverage Child Development Corps 16 for any completing supervised fieldwork pursuant to paragraph 18 (3) of subdivision (a) of Section 8254.3 at a site away from 19 his or her place of employment. A licensed family day 20 care provider may complete fieldwork in his or her own 21 home, under supervision, or in conjunction with a 22 mentor.
- (f) A Development Corps participant Child 24 receive reimbursement for the cost of college courses and associated 25 books with completing the coursework 26 required pursuant to paragraph (3) of subdivision (a) of Section 8254.3.
- (g) (1) Child Development Corps meetings shall be 29 held at least twice per year, and shall be no less than three 30 hours long. A meeting shall be held in each county in which there are Child Development Corps participants. 32 Members in adjacent or nearby counties may meet jointly.
- 34 Child (2) The purpose of Development Corps 35 meetings shall be to provide professional growth 36 opportunities, allow for community planning 37 education to support the corps, facilitate participant activity in community service, and serve as a forum for evaluating the needs and building support for local corps 39 participants.

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(3) Child Development Corps meetings shall facilitate the development of mentoring relationships between recipients of stipends pursuant to Sections 8254.3 and 4 8254.4 and encourage recipients of stipends pursuant to 5 Section 8254.3 to pursue further training.

- (4) Financial assistance shall be provided pursuant to this article, subject to funds being appropriated for that purpose, for substitutes, child care, and travel expenses to enable Child Development Corps participants to attend 10 corps meetings.
- 8254.3. (a) A "level one" stipend of no less than five 12 hundred dollars (\$500) per year shall be provided, subject to funds being appropriated for that purpose, to any 14 teacher in a publicly or privately funded child care provider. family day center. licensed care 16 license-exempt provider who fulfills all of the following requirements:
- (1) Has worked in any position involving child care, 18 19 in not more than one child care program, for the previous 20 program year.
 - (2) Qualifies as an associate teacher in accordance with the child development permit matrix.
 - (3) Completes or has completed a three unit early childhood or schoolage supervised fieldwork practicum course.
- Development Corps (b) A Child participant 27 receive a stipend pursuant to this section for up to three 28 years, if he or she continues to be employed in the child 29 development field and continues to pursue coursework 30 towards the teacher level, as defined by the child development permit matrix. First priority for funding pursuant to this subdivision shall go to participants who are working five days per week for at least six hours daily 34 for a total of 30 hours per week, or full-time as defined by the child care program in which they work.
- 8254.4. (a) A "level two" stipend in an amount 36 described in subdivision (e) of Section 8254.5 shall be 37 provided, subject to funds being appropriated for that 38 39 purpose, to any teacher, site supervisor, or director in a publicly or privately funded center, any child care

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provider in a licensed family day care home, and any license-exempt child care provider who fulfills each of the following requirements:

- (1) Achievement of professional levels of training and education in early childhood education or a closely related field, as defined by the child development permit matrix.
- (2) Remains in any position involving child care, in no more than one child care program, for at least one program year.

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- (3) Participates in 21 hours of approved professional growth activities per year, as defined by the California 13 Commission on Teacher Credentialing.
- (b) Priority for the receipt of a stipend pursuant to this 15 section shall be given to participants who work at least six 16 hours per day, for a total of 30 hours per week, or who work the standard hours for employees of the child care 18 program in which they work and who earn less than the amounts described in paragraph (7) of subdivision (d) of 20 Section 8254.5, for each qualification level.
- (c) Participants who have worked, on average, 22 hours or more hours per work week for the previous six 23 months shall receive the full amount of the stipend. 24 Participants who have worked, on average, less than 35 25 hours per work week for the previous six months shall 26 receive a prorated stipend that is based on the number of hours worked.
- (d) A director or manager of a child care program who applies for a stipend pursuant to this section shall 30 demonstrate that teaching staff in the program have been about the Child Development eligible staff have been encouraged to apply.
- (e) An individual holding a regular children's center 34 permit shall be eligible for a stipend pursuant to 35 paragraph (2) of subdivision (d) of Section 8254.5. An 36 individual holding a supervisory children's permit shall be eligible for a stipend pursuant to paragraph (3) of subdivision (d) of Section 8254.5. These individuals shall be required to fulfill 21 hours of professional growth as

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required pursuant to the child development permit matrix.

- 3 8254.5. (a) Stipends provided pursuant to Sections 4 8254.3 and 8254.4 shall be paid in two installments. The 5 first installment shall be paid within six months after a person has been accepted into the Child Development Corps established pursuant to Section 8254.2. The second installment shall be paid after a person has completed one year of membership in the Child Development Corps.
 - (b) A participant who changes iobs absent extraordinary circumstances, determined by the as organization selected pursuant to Section 8254.1, within the program year shall not be eligible for a stipend pursuant to Section 8254.3 or 8254.4.
- (c) If funding appropriated for purposes of this article 16 is insufficient to provide stipends to every participant who meets the requirements for each position as 18 described in Sections 8254.3 and 8254.4, priority for funding shall go to those earning less than the specified hourly rate, exclusive of any benefits described in subdivision (d).
 - (d) Annual stipends shall be provided pursuant to this article in the following amounts, subject to funds being appropriated for this purpose:
 - (1) The stipend provided pursuant to Section 8254.3 shall be no less than five hundred dollars (\$500).
- (2) The stipend provided pursuant to Section 8254.4 28 for a teacher who meets the requirements of the child development permit matrix shall be no less than one thousand five hundred dollars (\$1,500).
- (3) The stipend provided pursuant to Section 8254.4 32 for a master teacher, site supervisor, or program director who meets the requirements of the child development 34 permit matrix shall be no less than two thousand five 35 hundred dollars (\$2,500).
- (4) The stipend provided pursuant to Section 8254.4 36 37 for a master teacher, site supervisor, or program director who meets the requirements of the child development permit matrix and holds a bachelor's degree in child development or a related field shall be no less than six

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thousand dollars (\$6,000). To meet this requirement, a master teacher may hold a bachelor's degree in an another field, if he or she meets the requirements of master teacher as defined in the child development 5 permit matrix.

(5) The stipend provided pursuant to Section 8254.4 for a family day care provider shall be established pursuant to subdivision (c) of Section 8254.2.

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- (6) In addition to any other stipend for which a 10 teacher or child care provider may qualify, a teacher or provider who is fluent in English and another language, 12 including sign language, that is relevant to the child care 13 program that he or she directs or manages, or by which 14 he or she is employed shall be eligible to receive an 15 additional stipend of no less than five hundred dollars 16 (\$500) annually.
- (7) In addition to any other stipend for which a 18 teacher or child care provider may qualify, a teacher or 19 child care provider who holds a graduate degree in child 20 development or a related field shall be eligible to receive 21 an annual stipend of no less than five hundred dollars 22 (\$500) annually.
- (8) First priority for stipends shall be granted to any 24 teacher, master teacher, site supervisor, or program 25 director who meets the requirements of the child 26 development permit matrix and earns less than the 27 amount determined by the compensation guidelines for 28 child care staff established by the State Department of 29 Education, adjusted annually for inflation, exclusive of 30 benefits.
- 31 (9) A stipend provided pursuant to Section 8254.3 or 32 8254.4 shall not constitute wages for purposes of Division 1 (commencing with Section 100) of the Unemployment 34 Insurance Code.
- 35 8254.6. (a) The Resources for Retention Program is 36 hereby established, to administer, pursuant to Section 8254.1, funding appropriated for the following purposes: 37
- (1) Enhanced reimbursement rates to child 38 39 programs receiving state or federal child care funding

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that engage in quality enhancement activities targeted to improving compensation for employees.

- (2) Quality improvement grants to assist private and public programs to achieve accreditation and improve staff retention.
- (b) (1) For purposes of this article, "enhanced reimbursement rate" means either of the following:
- (A) An adjustment to the base reimbursement rate for child care programs that agree to target improvements in 10 accordance with the salary guidelines developed by the State Department of Education.
- (B) Enhanced reimbursement rates for programs that 13 hold current accreditation status through the National 14 Association for the Education of Young Children, the 15 National Family Child Care Association, the National 16 School Age Care Alliance, or other nationally recognized 17 child development accreditation program with standards 18 for quality child care. To be eligible for receipt of 19 enhanced reimbursement funding, a program shall agree 20 to utilize funding received pursuant to this section to 21 improve salaries in accordance with salary guidelines 22 developed by the State Department of Education.
- (2) To enhanced receive reimbursement, 24 center-based program shall agree to participate in a 25 three-day management training session or to work with 26 a director mentor from the California early childhood or 27 schoolage mentor program and to develop a staff 28 retention plan. The staff retention plan shall include an annual evaluation.
- of this article, (c) (1) For purposes 31 improvement grant" means a grant that provides funding 32 to child care centers and family day care homes that do receive enhanced reimbursement pursuant not 34 subdivision (b). Quality improvement grants include:
- 35 (A) Grants to programs that hold current 36 accreditation status through the National Association for 37 the Education of Young Children, the National Family 38 Child Care Association, or the National School Age Care Alliance. To be eligible for receipt of a quality 40 improvement grant, a program shall agree to utilize grant

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funds to improve staff salaries in accordance with salary 2 guidelines developed by the State Department 3 Education.

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- (B) Grants to programs to attend three-day management training program, develop a staff retention plan, and implement the plan.
- (2) To receive a quality improvement center-based or family day care program shall agree to participate in local Child Development Corps meetings, attend a three-day management training session, or work a director mentor from the California childhood or schoolage mentor program.

8254.7. The State Department of Education 14 ensure that the program established pursuant to this article is evaluated to determine its effect on retention of 16 child care employees, the availability of child care in underserved areas, and the quality of child 18 programs. The evaluation shall be based on a controlled study and shall include the gathering of data in a manner 20 that is consistent with other data gathering efforts of the department. The State Department of Education may seek funding for the evaluation from sources other than state or federal sources. The State Department of 24 Education shall determine the scope of the evaluation based on the amount of funding available. To the extent funding is available from sources other than state or federal sources, that funding shall be used to enhance the quality of the evaluation. The State Department of 29 Education shall report the results of the evaluation to the 30 Legislature on or before January 1, 2003.

8254.9. (a) It is the intent of the Legislature that the 32 program established pursuant to this article will be funded through increases in the federal Child Care Development Block Grant received by the state after July 1, 1999, pursuant to an appropriation in the annual 36 Budget Act, not to exceed fifteen million dollars 37 (\$15,000,000) in the 1999–2000 fiscal year. It is the intent 38 of the Legislature that 5 percent of the amount appropriated be allocated to Budget Item 6110-001-0890 for state operating expenses related to the AB 212 — 16—

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implementation of this article, and 95 percent of the amount appropriated be allocated to Budget Item 6110-196-0001 for local assistance related to the implementation of this article.

4 (b) It is further the intent of the Legislature that a 5 6 portion of any new federal funds appropriated for the purpose of increasing child care quality shall be used for the purposes described in this article and Section 1 of the act adding this article. Budget Act of 1999 will provide 10 that the program established pursuant to this article be funded in the amount of ten million dollars (\$10,000,000) 12 from the increase in the federal Child Care and 13 Development Block Grant allocation in the 2000-01 fiscal 14 year pursuant to subdivision (d) of provision 7 of Item 15 6110-196-0001. It is further the intent of the Legislature 16 that the Budget Act of 1999 will provide that 5 percent of this amount be allocated pursuant to Item 6110-001-0890 17 operating expenses 18 *for* state related 19 implementation of this article and that 95 percent of this 20 amount remain in Item 6110-196-0001 for local assistance 21 related to the implementation of this article.